GIBRALTAR MINES LIMITED
ANNUAL REPORT 1978

GIBRALTAR MINES LIMITED

DIRECTORS
ROSS G. DUTHIE,
Vancouver, B.C.
President of the Company
President & Chief Executive Officer,
Placer Development Limited

ALBERT E. GAZZARD,
Vancouver, B.C.
Director,
Placer Development Limited

*ROBERT A. MATTHEWS,
Vancouver, B.C.
Manager,
Ram Investments Ltd.

THOMAS H. McCLELLAND,
Vancouver, B.C.
Chairman of the Board,
Placer Development Limited

JOHN M. McCONVILLE,
Vancouver, B.C.
Vice-President, Administration and
General Counsel,
Placer Development Limited

*JAMES L. McPHERSON,
Vancouver, B.C.
Senior Vice-President,
Placer Development Limited

*ARTHUR K. POUSSETTE,
Vancouver, B.C.
Retired

**Member of the Audit Committee*

OFFICERS
ROSS G. DUTHIE, *President*
JAMES L. McPHERSON, *Vice-President*
ANTHONY J. PETRINA,
Vice-President, Operations
DONALD HALLAM, *Secretary*
JOHN RACICH, *Treasurer*
HOWARD F. GOUGEON, *Comptroller*
JOHN A. ECKERSLEY,
Assistant Secretary

DEPARTMENT HEADS
J. D. WRIGHT, *Mine Manager*
D. G. BAILEY, *Mine Superintendent*
D. W. ZANDEE, *Mill Superintendent*
J. K. TAYLOR, *Chief Engineer*
E. BRISBANE, *Plant Superintendent*
T. CHADWICK, *Chief Accountant*

OFFICES
Head Office:
700 Burrard Building
1030 West Georgia Street
Vancouver, B.C. V6E 3A8
Tel: (604) 682-7082
Telex: 04-55181

Mine Office:
P.O. Box 130
McLeese Lake, B.C. V0L 1P0

AUDITORS
Price Waterhouse & Co.
Chartered Accountants, Vancouver, B.C.

REGISTRAR AND TRANSFER AGENT
Guaranty Trust Company of Canada,
Vancouver and Toronto

ANNUAL MEETING
The Annual General Meeting of Shareholders will be held at 11:00 a.m. on Thursday, April 5, 1979 in the Alouette Room, Hotel Vancouver, 900 West Georgia Street, Vancouver, B.C.

LISTINGS
Toronto Stock Exchange
Vancouver Stock Exchange

METRIC CONVERSION TABLE
The mining industry will convert to the International System of Metric Units or "S.I." by 1980. The figures in this report are in metric units and a conversion table has been included below for reference. The prices of copper and molybdenum are shown on a "per pound" basis as this is still the industry's standard practice.

Metric tonne = 2,205 pounds
Imperial ton = 2,000 pounds
Kilogram = 2.2 pounds

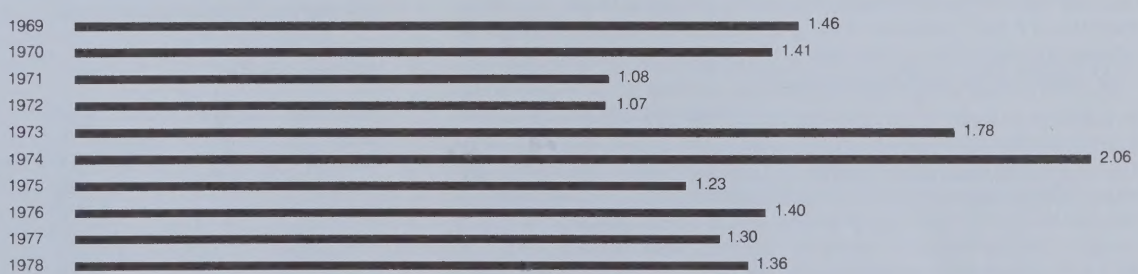
COVER DESCRIPTION
The cover design is a map of the Gibraltar area showing the three open pits, the plant facilities, and road system.

VALUATION DAY
On December 22, 1971, established as valuation day by the Department of National Revenue, the price of the Company's Common Shares was $4.70 per share.

HIGHLIGHTS

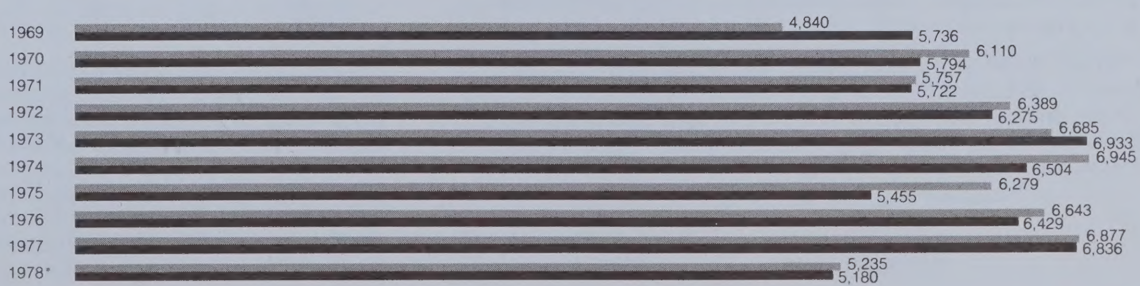
	Year Ended December 31, **1978**		1977	
FINANCIAL				
Concentrate sales	**$21,478,000**		$40,452,000	
Income and resource taxes	**$ (1,495,000)**		$ (227,000)	
Loss	**$ 2,381,000**		$ 142,000	
Loss per share	**$ 0.21**		$ 0.01	
Dividends	**—**		$ 5,706,000	
Dividends per share	**—**		$ 0.50	
Working capital	**$15,737,000**		$18,655,000	
Common shares outstanding	**11,411,469**		11,411,469	
Number of shareholders	**2,632**		2,731	
PRODUCTION	**Metric**	**Imperial**	Metric	Imperial
Ore milled — tonnes	**5,136,000**	**5,661,000**	12,765,000	14,071,000
— average daily tonnes	**35,400**	**39,000**	35,200	38,800
Grade — % copper	**0.38**	**0.38**	0.38	0.38
Recovery of copper — %	**83.68**	**83.68**	82.06	82.06
Copper concentrate produced — tonnes	**60,400**	**66,600**	140,200	154,500
Concentrate grade — % copper	**27.04**	**27.04**	28.08	28.08
Copper produced — kilograms/pounds	**16,327,000**	**35,994,000**	39,364,000	86,782,000
Molybdenum produced — kilograms/pounds	**129,200**	**284,800**	141,000	310,800
Number of employees	**374**	**374**	533	533
SALES				
Copper concentrate sold — tonnes	**74,400**	**82,000**	144,600	159,400
Molybdenum sold — kilograms/pounds	**119,200**	**262,700**	137,200	302,400
COPPER PRICE				
Average, per kilogram/pound on London Metal Exchange — U.S.¢	**$1.36**	**61.86**	$1.31	59.35

YEARLY AVERAGE COPPER PRICES
(U.S. $ per kilogram)
(L.M.E. Copper Wire Bar Cash Settlement Prices)



WESTERN BLOC COPPER CONSUMPTION AND PRODUCTION
(thousands of tonnes)
CONSUMPTION
PRODUCTION

*Nine months estimated



DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors submit the 7th Annual Report for the year ended December 31, 1978.

A labour dispute that halted production at the mine for 31 weeks in 1978 was the major factor in the loss of $2,381,000 or $0.21 per share, on revenues of $22,399,000. In 1977, the Company experienced a loss of $142,000 or $0.01 per share on revenues of $41,247,000.

Negotiations began on February 3, 1978, with the Canadian Association of Industrial, Mechanical and Allied Workers (CAIMAW) to renew the collective agreement which expired on February 28, 1978. These negotiations broke down in mid-April when the Company and union could not agree on contract terms. The union delivered strike notice and engaged in disruptive actions which forced the Company to initiate a lock-out from May 26 to October 4. When the lock-out was lifted, the union called a strike which continued until February 6, 1979.

Stripping and waste removal by staff employees, amounting to $2,531,000 at year-end, consisted primarily of preparations for Stage II mining of the Gibraltar East pit. The total cost of these preparations which commenced in July, 1978, is estimated at $24,300,000. These costs are being capitalized and will be charged to earnings as the ore is mined. It is expected that the majority of these costs will be financed from cash on hand and from the sale of concentrate. The balance, if required, will be borrowed on a short-term basis.

The Company's cash and marketable securities position at year-end was $12,031,000 compared with $6,452,000 in 1977. The increase results from the liquidation of inventories and accounts receivable. The average return on short and medium-term investments during the year was 8.75% (1977 — 8.2%).

The Company complied with the provisions of the Anti-Inflation Act in 1978. Controls over prices, profits, and dividends ended by December 31, 1978 and will end for employee compensation on February 28, 1979. Dividends were not paid by the Company in 1978.

The tax changes proposed in the November federal budget will have little benefit for mature mines. However, they do indicate that the federal government recognizes a need for new incentives if the Canadian mining industry is to remain strong. Mature mines in British Columbia continue to be taxed at higher rates than the manufacturing sector.

In addition to federal and provincial income taxes, a mining company must also pay high property taxes on its mine. Property taxes are collected on the basis of assessed value of assets, and since mining companies have substantial capital assets, they pay correspondingly high property taxes. Industries which employ a large labour force have relatively fewer assets. The fact that labour intensive industries depend more heavily on the educational system than does the capital intensive mining industry makes the present method of taxation inequitable for school taxes.

Property taxes paid by Gibraltar to the provincial government were $1,034,000 in 1978, or approximately $2,000 per employee. Of this amount, $804,000 or 77% was for school taxes and $230,000 for municipal taxes. Property taxes include the cost of municipal services, most of which are not available to the mine.

Marketing

The continuing moderate economic expansion in most Western Bloc industrialized countries during 1978 led to a 4.7% increase in consumption of refined copper to approximately 7,160,000 tonnes (1977 — 6,836,000 tonnes).

At the same time, factors such as political instability, strikes and production curtailments reduced copper production by about 1.5%. As a result surplus inventories were reduced by roughly 400,000 tonnes. Nevertheless, more than 800,000 tonnes surplus still remained at the end of 1978. This caused the London Metal Exchange copper price to remain low until year-end with the 1978 average being U.S. $1.36 per kilogram (U.S. $0.62 per pound). The price at the end of the year was U.S. $1.57 per kilogram (U.S. $0.71 per pound) which by mid-February, 1979 improved further to approximately U.S. $1.98 per kilogram (U.S. $0.90 per pound).

Following the cessation of Gibraltar's operations on May 26, a declaration of force majeure was issued to all customers on May 31.

Delivery of almost all Gibraltar's copper concentrate inventory to smelter customers was completed shortly after that date and accordingly, the year-end inventory of concentrate was only 800 tonnes (1977 — 15,200 tonnes).

Deliveries of molybdenum in 1978 were 119,200 kilograms, all to Placer Development Limited's Endako Mines Division before the labour dispute. The market turned very strong in late 1978 and the published Climax export price for molybdic trioxide increased from U.S. $10.14 per kilogram (U.S. $4.60 per pound) CIF foreign port at the beginning of the year, to U.S. $12.57 per kilogram (U.S. $5.70 per pound) at the end. On January 1, 1979 this price was further increased to U.S. $14.46 per kilogram (U.S. $6.56 per pound).

All molybdenum sales were made at producer prices in 1978. For 1979, a decision has been made to ship all production to Endako Mines to be roasted on a toll basis. The resulting molybdic trioxide will be sold at merchant prices, which at the present time are significantly higher than producer prices.

As the Company's products are priced in U.S. funds its revenue is enhanced by the premium on the U.S. dollar.

Mine operations

The mine operated only 21 weeks in 1978 until production was halted by the labour dispute. A total of 5,180,000 tonnes of ore was mined (1977 — 12,947,000 tonnes). The average daily production of ore and waste per operating day was 83,300 tonnes at a strip ratio of 1.34 tonnes of low grade and waste for each tonne of ore mined (1977 — 80,900; 1.35:1).

The grade of ore milled, at 0.38% copper (1977 — 0.38%), is approximately equal to the projected long-term average grade for the mine. During the years 1972 to 1976 the grade of ore milled ranged between 0.40% and 0.48% copper.

Production during the period of operation was 5% below projections due to the erratic occurrence of ore in the Pollyanna pit, the source of all 1978 ore. Dewatering wells around the perimeter of the pit continue to benefit mining operations by reducing the amount of drainage into the pit. Most of the ore from Stage I of the Pollyanna pit will be mined by late 1979 and operations will then transfer to Stage II of the Gibraltar East pit. The mining rate will be increased to 108,000 tonnes per day in 1979.

Before any ore can be made available from the Gibraltar East pit, stripping of 18,200,000 tonnes of overburden and 13,300,000 tonnes of waste rock will have to be completed. Stripping was begun in July, 1978 by staff personnel to prepare that zone for mining by late 1979. By year-end 1,934,000 tonnes of overburden and 233,000 tonnes of waste were removed.

No concentrate was produced after the labour dispute commenced.

Alternative haulage and mining schemes have been studied to identify the best method of minimizing the cost of stripping and mining the deep, Stage II of the Gibraltar East orebody. These included trolley assisted trucks, conveyors and hydraulic systems as well as more conventional methods. A decision was made to move the ore to an in-pit crusher and from there via conveyor to the plant site. Accordingly, a used conveyor system approximately 4.8 kilometers long, originally employed in the construction of a dam in northeastern British Columbia, was acquired for $850,000. The system is scheduled to be in service during 1979. An order has been placed for the purchase of five 170-ton trucks valued at approximately $4,000,000.

The main reclamation work consisted of planting 5,500 pine seedlings in three locations around the mine. No new areas required reseeding or fertilization during the year.

Concentrator

The mill processed a total of 5,136,000 tonnes of ore in 1978 (1977 — 12,765,000 tonnes) at an average of 35,400 tonnes of ore per operating day (1977 — 35,200 tonnes). It produced 60,400 tonnes of copper concentrate containing 16,327,000 kilograms of copper (1977 — 140,200 tonnes; 39,364,000 kilograms). The concentrator's recovery was 83.68% (1977 — 82.06%).

Use of a different reagent in the copper flotation circuit proved effective in reducing the overall requirements for reagents, resulting in a monthly cost saving of $45,000.

Due to a somewhat higher average grade of molybdenum in the Pollyanna pit, the molybdenum circuit was reactivated in January 1978. The circuit operated at a recovery rate of 25.82% producing 129,200 kilograms of molybdenum in concentrate (1977 — 141,000 kilograms). Although the average grade of molybdenum was lower than anticipated, it improved during the period of operation.

Reserves

At year-end, reserves of mineralized material at a cut-off grade of 0.25% copper and a strip ratio of 2.35:1 were estimated to be:

Zone	*Tonnes*	*% copper*	*% molybdenum*
Gibraltar East	104,000,000	0.36	0.0078
Granite Lake	79,000,000	0.35	0.0084
Pollyanna	63,000,000	0.36	0.0108
Gibraltar West	8,000,000	0.40	0.0084
Total	254,000,000	0.36	0.0090

"Ore reserves" are more appropriately termed "mineralized reserves" since the former term requires that minerals be mined and sold at a profit. The tonnage mined and processed will be determined by future copper prices, operating costs and taxes.

Leases held by Cuisson Lake Mines Ltd. (in which Gibraltar has a 40.53% interest) covering part of the Granite Lake zone, contain approximately 10,900,000 tonnes of mineralized reserves above 0.25% copper which are not included in the above estimate of reserves. This material will be recovered in the sequence established by the overall mining plan covering the life of the mine. No material was mined and processed from this area in 1978.

Employee and community relations

At year-end, the Company had a total of 374 employees (1977 — 533). The annual payroll and benefits cost was $6,135,000 (1977 — $10,535,000).

The collective agreement with Local 18, CAIMAW expired on February 28, 1978. Negotiations began on February 3 but very little progress towards agreement could be made. In April, the union delivered strike notice and engaged in disruptive actions, leaving the Company with no alternative but to initiate a lock-out on May 26. Negotiations broke down again in September on CAIMAW's refusal to place a new Company offer before all bargaining unit employees. On October 4 the Company lifted the lock-out but CAIMAW immediately called a strike.

By year-end virtually all of the points at issue had been resolved but agreement had not been reached due to CAIMAW's demand for special amnesty from discipline related to acts of violence by some union members against property and employees. These acts have been of a serious nature and management is concerned that similar acts may be repeated in the future if ignored at this time.

The strike ended on February 6, 1979 following agreement by the Company and the union to submit the outstanding issues to an Industrial Inquiry Commission (I.I.C.) whose recommendations will be binding.

The new labour agreement has a fixed term from March 1, 1978 to February 29, 1980, with an extension possible thereafter. At the end of the fixed term total compensation including benefits will have increased by 21%. However, the work stoppage produced very little more for employees than was offered before the shutdown. The difference between total compensation including benefits in the settlement, compared to those in the Company's original proposal, totalled over the two years is estimated at only $540 or 13¢ per hour. The gain is questionable in the light of lost revenue by the Company and wages by employees over the 36-week dispute.

The issues to be considered by the I.C.C. are those of discipline, union security, seniority accumulation during the labour dispute and two small monetary matters.

In the area of community relations, four scholarships were awarded to students in the Williams Lake area and at the B.C. Institute of Technology in Burnaby. The total annual value of this programme is $4,700.

Directors

Mr. A.E. Gazzard, who served as a Director from 1970 to 1971 and from 1976 to date, has advised that he will not be standing for re-election to the Board. No successor is presently being recommended by the Board and accordingly it is proposed that the number of Directors be reduced to six.

On behalf of the Board,

Vancouver, B.C.
February 21, 1979

R. G. Duthie
President

BALANCE SHEET

	December 31, 1978	1977
ASSETS		
CURRENT ASSETS:		
Cash and time deposits	**$ 9,938,000**	$ 4,962,000
Marketable securities, at cost which approximates market value	**2,093,000**	1,490,000
Accounts receivable	**324,000**	6,479,000
Concentrate inventories	**254,000**	3,548,000
Materials and supplies	**4,851,000**	5,253,000
	17,460,000	21,732,000
OTHER ASSETS:		
Deposits and mortgages receivable	**615,000**	728,000
Mineral royalties recoverable	**894,000**	894,000
	1,509,000	1,622,000
PROPERTY, PLANT AND EQUIPMENT (Note 2):		
Buildings and equipment	**39,728,000**	42,616,000
Mining properties and development	**10,185,000**	8,227,000
	49,913,000	50,843,000
	$68,882,000	$74,197,000

	December 31, 1978	1977
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	**$ 1,323,000**	$ 2,623,000
Income and resource taxes payable	**400,000**	454,000
	1,723,000	3,077,000
DEFERRED INCOME AND RESOURCE TAXES	**4,308,000**	5,888,000
SHAREHOLDERS' EQUITY:		
Share capital —		
Authorized, 12,000,000 common shares of $0.50 par value		
Issued, 11,411,469 shares	**5,647,000**	5,647,000
Earnings reinvested in the business	**57,204,000**	59,585,000
	62,851,000	65,232,000
Commitment (Note 7)		
	$68,882,000	$74,197,000

Approved by the Board:
R. G. Duthie, *Director*
J. L. McPherson, *Director*

STATEMENT OF EARNINGS

(Note 5)

	Year ended December 31,	
	1978	1977
REVENUES:		
Copper concentrate sales	**$20,177,000**	$39,291,000
Molybdenum concentrate sales	**1,301,000**	1,161,000
Interest and other income	**921,000**	795,000
	22,399,000	41,247,000
EXPENSES:		
Cost of concentrate sales	**21,304,000**	35,998,000
Depreciation and depletion	**4,320,000**	4,698,000
General and administrative	**683,000**	747,000
Loss (gain) on disposal of property, plant and equipment	**(32,000)**	173,000
	26,275,000	41,616,000
LOSS BEFORE TAXES	**3,876,000**	369,000
INCOME AND RESOURCE TAXES:		
Current	**85,000**	(532,000)
Deferred	**(1,580,000)**	305,000
	(1,495,000)	(227,000)
LOSS	**$ 2,381,000**	$ 142,000
Loss per share	**$ 0.21**	$ 0.01

STATEMENT OF EARNINGS REINVESTED IN THE BUSINESS

	Year ended December 31,	
	1978	1977
BALANCE, BEGINNING OF YEAR	**$59,585,000**	$65,433,000
Loss	**2,381,000**	142,000
	57,204,000	65,291,000
Dividends — nil (1977 — $0.50 per share)	**—**	5,706,000
BALANCE, END OF YEAR	**$57,204,000**	$59,585,000

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31, 1978	1977
FINANCIAL RESOURCES WERE PROVIDED BY:		
Loss	**$ (2,381,000)**	$ (142,000)
Add (deduct) items not involving working capital —		
Depreciation and depletion	**4,320,000**	4,698,000
Deferred income and resource taxes	**(1,580,000)**	305,000
Loss (gain) on disposal of property, plant and equipment	**(32,000)**	173,000
Total from operations	**327,000**	5,034,000
Disposal of property, plant and equipment	**125,000**	293,000
Deposits and mortgages receivable	**113,000**	149,000
Other	**—**	27,000
	565,000	5,503,000
FINANCIAL RESOURCES WERE USED FOR:		
Dividends	**—**	5,706,000
Buildings and equipment	**952,000**	972,000
Mining properties and development	**2,531,000**	—
	3,483,000	6,678,000
Decrease in working capital	**(2,918,000)**	(1,175,000)
Working capital, beginning of year	**18,655,000**	19,830,000
Working capital, end of year	**$15,737,000**	$18,655,000
INCREASE (DECREASE) IN WORKING CAPITAL COMPONENTS:		
Cash and time deposits	**$ 4,976,000**	$ (4,965,000)
Marketable securities	**603,000**	(1,053,000)
Accounts receivable	**(6,155,000)**	1,879,000
Concentrate inventories	**(3,294,000)**	335,000
Materials and supplies	**(402,000)**	162,000
Accounts payable and accrued liabilities	**1,300,000**	1,935,000
Income and resource taxes payable	**54,000**	532,000
Decrease in working capital	**$ (2,918,000)**	$ (1,175,000)

1. Accounting Policies:

Foreign currency translation

Accounts in foreign currencies are translated into Canadian dollars. Current assets and current liabilities are translated at year-end rates. Revenues and expenses are translated at the rates applicable at the time of the relevant transactions.

Inventories

Concentrate is valued at the lower of cost and net realizable value; cost is determined on a first-in, first-out basis. Materials and supplies are valued at the lower of moving average cost and replacement cost.

Property, plant and equipment

Depreciation is provided over the estimated useful lives of the assets on the following annual bases:

— buildings and machinery on a straight-line basis at the rate of 5%, and

— mobile equipment on a diminishing-balance basis at rates of 15% to 36%.

Depletion of the cost of mining properties and development incurred during the preproduction period is provided on a straight-line basis over twenty years, which is less than the estimated life of the mine.

The cost of overburden removal for specific large projects is capitalized as mining properties and development and is charged to earnings on a unit-of-production basis.

Revenue

Concentrate revenue is recognized at the time of sale. However, copper concentrate sales not finalized at year-end have been recorded at prices estimated to be in effect on finalization dates.

Deferred income and resource taxes

The Company records income and resource taxes on the tax allocation basis. Under this method, taxes are determined from accounting income, not taxable income. Differences arise when some costs, principally depreciation and depletion, are reflected in different time periods for accounting purposes than for tax purposes. The tax effect of these timing differences is shown in the financial statements as deferred income and resource taxes.

2. Property, Plant and Equipment:

	December 31, **1978**	1977
Buildings and equipment —		
Cost —		
Buildings and machinery	**$52,837,000**	$52,046,000
Mobile equipment	**15,599,000**	15,572,000
	68,436,000	67,618,000
Accumulated depreciation —		
Buildings and machinery	**17,065,000**	14,489,000
Mobile equipment	**11,643,000**	10,513,000
	28,708,000	25,002,000
	$39,728,000	$42,616,000
Mining properties and development —		
Cost —		
Mining properties	**$ 3,527,000**	$ 3,538,000
Development*	**10,451,000**	7,920,000
	13,978,000	11,458,000
Accumulated depletion —		
Mining properties	**1,120,000**	954,000
Development	**2,673,000**	2,277,000
	3,793,000	3,231,000
	$10,185,000	$ 8,227,000

*In 1978, the Company expended and capitalized $2,531,000, which primarily represents the initial stage of a large development project now underway in the Gibraltar East pit. The total cost of this project is estimated at $24,300,000.

3. Income and Resource Taxes:

At December 31, 1978, earned depletion of approximately $13,400,000 (1977 — $13,400,000) is available to reduce taxable income in future years.

AUDITORS' REPORT

4. **Remuneration of Directors and Senior Officers:**

Aggregate direct remuneration paid by the Company to its directors and senior officers in 1978 amounted to $201,000 (1977 — $194,000) of which $14,000 (1977 — $14,000) consisted of fees paid to directors.

5. **Operations:**

Normal mine operations were halted by a labour dispute which lasted from May 26, 1978 to February 6, 1979.

6. **Price and Profit Controls:**

The Company complied with the provisions of the federal government's anti-inflation programme which provided restraints on prices, profits, compensation and dividends. Controls on the Company's prices, profits and dividends ended on December 31, 1978. Controls on compensation will end on February 28, 1979.

7. **Commitment:**

The Company is committed to purchase mine haulage trucks at a total cost of approximately $4,000,000.

TO THE SHAREHOLDERS OF
GIBRALTAR MINES LIMITED:

We have examined the balance sheet of Gibraltar Mines Limited as at December 31, 1978 and the statements of earnings, earnings reinvested in the business, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at December 31, 1978 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 7, 1979
Vancouver, B.C.

PRICE WATERHOUSE & CO.
Chartered Accountants

SEVEN YEAR SUMMARY

Years Ended December 31	**1978**	**1977**	**1976**	**1975**	**1974**	**1973**	**1972***
Concentrate sales	$21,478,000	$40,452,000	$26,570,000	$39,556,000	$61,367,000	$96,836,000	$29,457,000
Cost of concentrate sales	21,304,000	35,998,000	20,686,000	32,352,000	30,140,000	26,518,000	12,863,000
Depreciation and depletion	4,320,000	4,698,000	4,960,000	5,320,000	5,298,000	6,081,000	4,211,000
Interest on long-term debt	—	—	—	—	—	3,395,000	3,352,000
Income and resource taxes	(1,495,000)	(227,000)	419,000	2,008,000	8,866,000	7,799,000	319,000
Net earnings (loss)	$ (2,381,000)	$ (142,000)	$ 943,000	$ (376,000)	$17,302,000	$52,509,000	$ 8,352,000
Earnings (loss) per share	$ (0.21)	$ (0.01)	$ 0.08	$ (0.03)	$ 1.52	$ 4.60	$ 0.73
Dividends per share (11,411,469 shares outstanding)	—	$ 0.50	$ 0.15	—	$ 1.00	—	—
Ore milled — tonnes	5,136,000	12,765,000	7,672,000	10,388,000	12,154,000	13,682,000	9,854,000
Grade — % copper	0.38	0.38	0.45	0.43	0.40	0.48	0.46
Copper concentrate produced — tonnes	60,400	140,200	111,000	144,000	151,300	192,700	119,800
Copper produced — kilograms	16,327,000	39,364,000	28,895,000	37,902,000	40,935,000	55,248,000	36,298,000

(tonnes = dry metric tonnes)

**Operations commenced in 1972; accordingly, the fiscal year covers only the nine months ended December 31, 1972.*

GIBRALTAR MINES LIMITED

LITHO'D IN CANADA
AGENCY PRESS LIMITED